Pa July 12, 1978 Memo to File: Re: Vipont Mines, Ltd. Box Elder County, Utah Act/003/005 The Vipont Mine, an operation attempting to leach old tailings, and an undergroud silver mine, was inspected on July 5, 1978 by Mike Thompson. Mr. Thomas Miller was not at the property, however Mr. Art Melugin was. The mining operation was inactive on the date of the last inspection, November 30, 1977. The first inspection occured on June 26, 1977. At that time the access road was upgraded and the Mill Site was leveled. Mr. Miller was informed that he was in violation of the Utah Mined Land Reclamation Act, and he was instructed to submit a mining and reclamation plan and a letter of explanation for his non-compliance with the Act. Mr. Miller replied with a letter on June 30, 1977 and contended that the operation qualified for a declaration of exemption (DOE). On July 7, 1977 Brian Buck responded that the Division did not agree as redisturbance of the tailings constituted a mining operation. Mr. Miller appeared before the Board on July 20, 1977 to request an exemption under the Act. He claimed that tailings do not constitute a "deposit" as defined in Section 40-8-4 (3) of the Act. Mr. Miller contended, and the Board agreed, that removing the tailings from the water course constituted reclamation. The Board decided that Mr. Miller would be required to follow the regular procedure set forth under the Act; ie., file the necessary notice of intent and MR plan. However, the Board agreed that an agreement or contract describing the work performed, and the work that will be performed to properly reclaim the (tailings) area would be sufficient. A bond would have to be posted for the full mining operation on adjacent areas. Mr. Miller was in accordance with the decision and indicated that he would comply. The "Notice of Intention to Commence Mining" and the "Mining and Reclamation Plan" were received on September 29, 1977. A map of the surface facilities was not submitted, and it has been requested. The mine was visited on October 26, 1977 by Ron Daniels and Mike Thompson. The heap leach facilities were operational, however, disturbance in the tailings area was minimal. No underground work had commenced. The operation was discussed with Mr. Miller and a map was again requested. Water samples were collected. The July 5, 1978 inspection revealed that minimal additional disturbance had occured in the tailings area. Mr. Melugin described the reworked tailings

July 12, 1978

Re: Vipont Mines, Ltd.
Box Elder County, Utah
Act/003/005

disposal area. It is immediately below the heap leach pads and contained by an existing, although presently breached, dike. An attempt to develop an underground entry in Pipe Spring Gulch near the Phelan tunnel was aborted due to poor roof conditions. The portal is presently left open and wasterock is diposited in the epheneral channel. Water was flowing down the gulch and through the wastepile. The waste pile is non-impounding, however during a severe runoff event sediment loads in the stream would be increased. A second entry has been constructed about 50 yards down canyon. The drift is at an elevation of 6800 Feet and is 451 feet long. Water is flowing from the entry, and a sample was taken for analysis.

Mr. Miller will be contacted so that the plan can be finalized. A Map needs to be submitted and items concerning reclamation need to be clarified. Birch Creek in the tailings area may be diverted while the tailings are removed.

K. MICHAEL THOMPSON RECLAMATION HYDROLOGIST

KMT/sp